

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
TUESDAY, JANUARY 8, 2002, 9:00 A.M.
Room 131, State Capitol Building**

Members Present: Sen. Beverly Evans, Committee Co-Chair
Rep. Gerry A. Adair, Committee Co-Chair
Sen. Mike Dmitrich
Rep. Ralph Becker
Rep. Roger Barrus
Rep. DeMar "Bud" Bowman
Rep. David Clark
Rep. Brent H. Goodfellow
Rep. Ty McCartney
Rep. Loraine T. Pace

Members Absent: Sen. John Valentine
Rep. Jeff Alexander
Rep. Greg J. Curtis
Rep. Kevin S. Garn

Staff Present: Kevin Walthers, Fiscal Analyst
Jonathan Ball, Fiscal Analyst
Bonnie Brinton, Committee Secretary

List of those also present: Raylene Ireland, Executive Director, Department of Administrative Services
David Lamb, Financial Manager, Department of Administrative Services
Bernie Machen, President, University of Utah
Joe Jenkins, Director, Department of Facilities Construction and Management

List of others present on file.

Co-Chairman Beverly Evans called the meeting to order at 9:10 a.m.

1. Committee Business

Kevin Walthers, Analyst, reviewed the Supplemental Summary. The State's current economic situation makes this year's supplemental recommendation different in that budget reductions will need to

be implemented to balance FY 2002 revenues against expenditures. Revenues will be some \$202.5 million less in FY 2002 than was anticipated during the 2001 Legislative Session.

Estimates for FY 2003 will be \$81.8 million less than original FY 2002 estimates.

The Governor anticipated a shortfall early in the fiscal year and requested that agencies “holdback” expenditures at approximately the 2.5 percent level. Initial Holdbacks for budgets considered by the Capital Facilities and Administrative Services Appropriations subcommittees totaled \$2,337,900.

For FY 2002, the Analyst recommends reducing the current General Fund appropriation for the Department of Administrative Services, Capitol Preservation Board and Capital Budget by the original \$2,337,900 plus an additional \$24,604,900 for a total reduction of \$26,942,800.

Virtually all of the budgets are impacted to some degree in these proposed reductions. The Analyst has identified specific programs or functions that could be downsized or eliminated. In addition, several across-the-board reductions have been identified. The Analyst included cuts equivalent to 10% of General Fund in the following expense categories:

- Conventions/Workshops;
- Data Processing;
- Entertainment/Receptions;
- Office supplies/Equipment; and,
- Travel.

Reductions in FY 2002 were limited to eight months of the year to allow for expenditures made prior to the Legislative session.

The issue of reductions in the Capital Budget was reviewed by the Analyst. Recommendations were made in the following areas:

Internal Service Fund Rate Changes
Original Governor’s Holdbacks
Across-the-Board Reductions
One-Day Furlough
Fleet Operations Rebate
Program Eliminations/Reductions
FTE Position Eliminations
Revenue Enhancements

Elimination of Recent Enhancements
Remaining 800 MHz Funds
IT Innovation Program
Finance Technology
DFCM IT Support
Administrative Rules Reductions
Administrative Reductions
ITS Issues
Reduction of Scope at the Governor's Mansion

The Analyst responded to questions from Committee members.

The Chair declared a 20-minute recess to allow for discussion of the Analyst's recommendations.

President Bernie Machen, University of Utah, petitioned the Committee to consider replacing the \$2.3 million taken from the Engineering Building project at the University of Utah and increasing the amount of the bond to \$12.6 million.

Kevin Walthers, Analyst, agreed with President Machen and reported that Rep. Adair is sponsoring two bond bills, one of which would replace the \$2.3 million taken out by the Governor's office. He also reported that this Committee would need to appropriate \$58,056,000 to be where it was at the end of the year last year.

Raylene Ireland, Executive Director, and David Lamb, Financial Director, Department of Administrative Services, responded to the Analyst's recommendations. Ms. Ireland asked for flexibility between line items and stated that Intent Language would be prepared for the meeting on Wednesday.

The following items were agreed upon by the Agency and the Chair for further consideration at Wednesday's meeting:

- Fleet Operations Rebate
- FTE Position Eliminations
- Elimination of Recent Enhancements
- ITS Issues
- Reduction in Personnel Services (Intent language needed)

Joe Jenkins, Director, Division of Facilities Construction and Management, requested intent

language and stated that money was in “Project Reserve” Fund.

MOTION: Sen. Dmitrich moved to adjourn the meeting.

The meeting was adjourned at 10:30 a.m. by Sen. Beverly Evans.

The minutes were reported by Bonnie Brinton

Sen. Beverly Evans
Committee Co-Chair

Rep. Gerry A. Adair
Committee Co-Chair